

Exhibit I

CityLab/Livability.com
December 2015

*“What Makes Us the Happiest About the Places We
Live”*

&

“The 2016 Top Best Places To Live”

What Makes Us the Happiest About the Places We Live



We know a lot about what makes Americans satisfied with their personal lives, jobs and careers, but much less about what make them satisfied with the places where they live. I've long argued that choosing the place where we live is the single most important decision we make—more important than the choices we make in our personal lives (who we date, marry, or make friends with), the choices we make regarding our educations, and the choices we make about careers. That's because our location structures all of those other decisions.

So what are the key factors that really shape how happy we are with the places we live?

Over the past month, my colleagues at CityLab have used the **Atlantic Media/Siemens State of the City Poll** to look closely at a wide variety of community satisfaction measures, discovering that suburbanites are happier with where they live than city dwellers and that the young and poor are the most likely to move, among other conclusions.

With help from the Martin Prosperity Institute's Charlotta Mellander, I took a deeper look at the factors that affect how satisfied we are with the places we live. We ran a basic correlation analysis of the key factors affecting how survey respondents rate their

communities on a one to four scale, from excellent to poor. These included the availability of jobs and employment opportunities, crime and safety, schools, quality of roads and infrastructure, access to parks, green space and recreation, access to arts and culture, the availability of good paying jobs, air and water quality, and volunteer opportunities. We examined the associations for survey respondents overall and for urbanites versus suburbanites and home-owners versus renters. As usual, I emphasize that correlation does not imply causation, but rather points to associations between variables.

Looking at the survey responses overall, several factors turned out to be relatively more important to how residents rated their communities.

Topping the list was personal safety, measured specifically by how safe people feel from crime when walking in their neighborhoods after dark (with a correlation of .44). That makes obvious sense: if you don't feel safe, if you feel threatened and insecure in your neighborhood, you're unlikely to be happy there. But a cluster of other factors were also positively associated with residents' ratings of their communities: the availability of high quality parks and recreation (.37), the availability of good-paying jobs (.34), air quality (.33), and the availability of high-quality arts, culture and nightlife (.30). Also important, though not quite as strongly correlated, were the quality of water that comes out of the tap (.26) and the physical condition of roads, bridges and infrastructure (.25). Residents' ratings of their communities were positively associated with income (.25). This is in line with broader studies of happiness that find overall well-being to be associated with income.



Happiness among all Americans is correlated with feeling safe while walking at night. ([harminder dhési/Flickr](#))

More interesting, perhaps, are the factors that were less closely associated with residents' satisfaction with where they live. Most people believe that schools factor mightily into how residents view their communities. While this may be true, especially for families with school-age children, the correlations between our survey questions regarding schools and residents' ratings of their communities were substantially weaker than might be expected (.22 with the ability of local public schools to prepare children for college and .18 with the ability of local schools to prepare them for work). And while housing costs and housing affordability are hotly debated issues, neither the availability of affordable rental housing (.16) nor the availability of affordable homes for purchase (.17) were closely correlated to how residents rate their communities.

Things get more interesting when we look at the things that matter to urbanites versus suburbanites. Among urbanites, safety again tops the list (with a correlation of .47, the highest correlation of any question we analyzed). Next in line was the availability of high-quality parks and recreation facilities (.40). Following close behind was the availability of good paying jobs (.37), and the availability of high-quality arts options (.35), both of which are more often present in urban settings.

Other factors associated with how urbanites rate their communities include air and water quality (.35 and .21, respectively), the physical condition of roads and bridges (.26), and the quality of local non-profits, volunteer groups and religious institutions (.25). Finally, satisfaction was associated with income (.24); those with higher incomes were more likely to say they were satisfied with their communities.



Urban-dwellers like green spaces, like the Boston Common ([Massachusetts Office of Travel and Tourism/Flickr](#))

Again, perceptions about the quality of local public schools were somewhat less important for urban respondents, with correlations of .21 and .16, respectively, for questions regarding the ability of schools to prepare kids for college or work. And despite all the talk about high housing prices and the lack of affordability of city living, our results suggest that neither the availability of affordable rental housing (.12) nor homes to buy (.17) are strongly associated with how urbanites rate their communities.

For suburbanites, the factor most strongly associated with community satisfaction was also safety (.42), followed by high quality parks (.35) and availability of good jobs (.32). Next in line was water quality (.33), air quality (.29), and availability of high-quality arts, culture and nightlife (.28). Again, the community satisfaction of suburbanites was

associated with income (.28).

Surprisingly, given how much attention is paid to the perceived quality of suburban schools, this factor appears to play a less important role (with a correlation of .23 to the ability of local schools to prepare children for college). The availability of affordable housing was also less significant, with correlations of .20 with the availability of affordable rentals and .16 with the availability of affordable homes to buy.

When it comes to renters and homeowners, some interesting patterns emerge as well. Renters are the only group for which safety is not the number one factor. The most closely associated factor for them was high-quality parks (.40), which makes sense given most renters live in cities where backyards or private green spaces are much more limited. Safety came in second (with a correlation of .39). Renters' ratings of their communities were also associated with the availability of good jobs (.33), access to high-quality arts and cultural options (.32), and air quality (.30). The quality of roads and bridges was less important, with a correlation of .21. Neither the quality of schools or affordability of housing appeared to factor highly in renters' ratings of their communities.

When it comes to those who own their own homes, safety again tops the list (.43), followed by the availability of high-quality parks and recreation (.34), the availability of good paying jobs (.33) and air quality (.30). The availability of arts and cultural amenities drops a bit further down (.27). But this is not too surprising, as homeowners are more likely to live outside urban centers and in suburbs where access to arts and culture is more limited. And while it is commonly thought that the quality of local schools figures highly in why and where people buy homes, we find weaker associations between schools and the owners' ratings of their communities (.22 for preparation for college, .18 for preparation for work). The correlations for the availability and affordability of housing were among the weakest of any in our analysis (.12 for affordable houses to buy and .10 to rent).

The big takeaways: despite differences among urbanites and suburbanites, the same basic factors seem to drive the way residents rate the places they live. Those include feeling safe at night, and having access to good jobs, high quality parks and recreation, and arts, culture and nightlife. Furthermore, it's not any one single factor, but the interplay of several that shape how residents' rate the places where they live.

As I've noted before, our satisfaction with where we live resembles psychologist Abraham Maslow's hierarchy of needs. At the bottom of the pyramid—what we need the most—are feelings of safety and security. Once that need is met, we need to be able to make a living and find a job that we actually like. Then, as we advance through higher stages of the pyramid, we want things that make for a better quality of life, or what I term "quality of place"—access to great parks, clean air and water, and exciting arts and cultural opportunities.

The biggest surprises turn out to be the things that do not matter as much. The quality of schools turned out to be much less important than we might have thought. And while much has been made of the growing urban housing affordability crisis for many Americans, we did not find it to be a big factor in how residents rate their communities.

Despite the many differences in the values, living styles and preferences of urbanites and suburbanites, renters and homeowners, the things that connect and attach us to our chosen communities are remarkably similar.

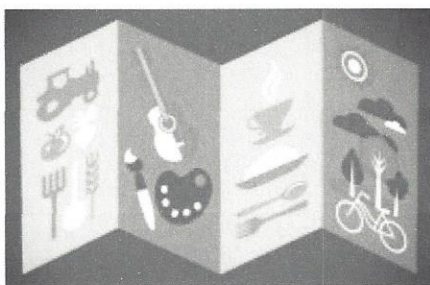
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Top 100 Best Places to Live

As Livability's editors and writers crisscross the U.S in search of great stories, we find that time and again, the best tales are told in the Main Street diners, corner churches, park benches and even the mayor's offices of small to mid-sized cities and towns. Far from letting time pass them by, these communities are doubling down on livability for their residents. Our second-annual ranking of the Top 100 Best Places to Live celebrates the work they are doing. As with our [Top 100 Best Place to Live 2014 ranking](#), we worked with globally-known partners to analyze the best public and private data sources. We were advised by the leading thinkers, writers and doers in the place-making space. Some new places make the list, some move up or down and some continue to score well, no matter what the metric. More than 2,000 cities were ranked, so every city on this list is in the top 5 percent of livable communities in the U.S. Spend some time getting to know them, and when it comes time for your next move, maybe you'll think small.

Ranking Criteria

The LivScore for each city is a composite of more than 40 data points. Those data points were grouped into the eight categories below. The methodology gives a good overview of how we calculated the score. But why did we focus on demographics, amenities, education and the others? How do they actually influence livability? How can transportation make a city a best place to live? Read these stories for a more detailed discussion.



Amenities

Being part of a livable city means more than just having a nice house and hanging out on your deck. It's about having things to do, places to do them and a decent climate to do them in. In other words, in a great community, people engage with that community. They get out and LIVE in their

livable places.

Amenities are more than just fun. They're serious business, can draw money-spending tourists and help cities – especially smaller cities and towns – differentiate themselves and craft their own identities. Livability took several amenities into consideration for this section of the ranking, including farmers markets, golf courses, parks, weather (as measured by January and July temperature differentials), natural amenities and the role of

arts in the community.

Let's start with physical amenities. Many of the cities at the top of our ranking, from Boulder to Boise, have a variety of terrain, which make for breathtaking views and open opportunities for recreation. Access to water – from streams to oceans – can also make areas more habitable.

Parks can break up the landscape, and in areas with slightly more density, can play a vital role where yards might be at more of a premium. Parks often have shared resources like pools, community centers and playgrounds, which open up access for people who have neither the money nor space to accommodate them on their own. They become gathering places and hosts to festivals, picnics and fireworks. Likewise, going to a farmers market can be a pleasant outing and a chance to run into friends and family. More, it can help plug a needed gap in smaller places with fewer choices for healthy eating.

Having a moderate climate means it's more comfortable to take advantage of the natural amenities. It also just makes life a little easier as you're commuting or going about your day-to-day errands.

We also examined the role of the arts in the community. Recent studies, including ones discussed in the new book published by the Brookings Institution, *Creative Communities*, have shown that increased cultural production can lead to an increased gross domestic product of an area, as well as higher wages across all the industries in that town. The book's editor, Michael Rushton, tells Livability.com that it's good public policy.

"If you're making an investment of cultural amenities, these are things that can benefit most of the people of the city rather than just trying to attract one particular employer," Rushton says.

Arts are also important for their impact on developing creative and innovative communities.

Carol Coletta, the Knight Foundation's vice president for community and national initiatives and former head of ArtPlace and CEOs for Cities, told Livability.com that arts are important for innovation, and engaging artists and creative people in all aspects of public policy planning can yield great benefits.

"It's important to have your perspectives challenged," Coletta says.

"When you are in something stimulating, innovation there tends to be a lot of spillover from firm to firm to firm. Cultural districts impact related industries," Rushton says.

To measure the role of arts for our Index, we worked with the nonprofit [Americans for the Arts](#), which produces the research about the number and size of arts-related businesses in U.S. counties. As one of the unique data sets we worked with, Americans for the Arts shared its list of more than 600 arts-related industries, and we were able to apply its methodology to the city level.

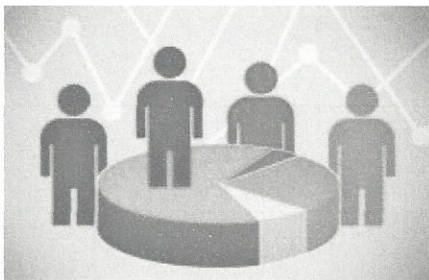
Finally, we have said that utilization was one of the guiding principles for our ranking, and we wanted to make sure that not only are there opportunities in the cities for exploration, but that residents are also taking advantage of them. We worked with the Martin Prosperity Institute to create a custom variable, based on data from Esri, to fill in that gap.

Cities with more amenities and more people taking advantage of them scored the highest. The average score across all the cities we measured was 46.

Coletta notes that arts can have a great return on a relatively small investment. "Arts engage the community and make it a better place to live," she says.

In her work with ArtPlace, she was sorry to admit that she was surprised by the degree to which smaller cities and towns were engaged in creative enterprises. "They're not just smaller versions of other cities," she says. "These towns have a uniqueness."

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Demographics

Who is this city for? It's a question that gets asked a lot in planning circles these days. It gets at issues of diversity, accessibility and inclusion. Does the city work for everyone, or only for some subsets of people? *Sesame Street* asked the question more simply. One of the classic show's most

memorable songs got to the heart of a key issue: "Who are the people in your neighborhood?" In the song, the idea is to introduce kids to people they are likely to meet each day, like postal workers, teachers, newspaper vendors (sadly dated material) and more. But the segment gets at an important fact about where we live: We're not alone.

The fundamental makeup of the community impacts how we interact with it. Is the population generally older or younger? Is it diverse in terms of race and ethnicity? Is it diverse in terms of income and education?

Overall, there is increasing diversity throughout the U.S., however, it's also increasingly likely that you'll live next to someone like yourself. According to Charles Murray's recent

book, *Coming Apart: The State of White America, 1960-2010*, cities and their suburbs are becoming increasingly isolated along economic, educational and cultural lines.

Bill Bishop's *The Big Sort: Why the Clustering of Like-Minded Americans Is Tearing Us Apart* argues that we're also segregated by political preference. More and more of us live in counties and towns that are less and less politically competitive. The eventual outcomes of most elections are known long before the ballots are cast. As you can probably guess, he believes this to be a bad thing.

Bruce Katz of the Brookings Institution tells [Livability.com](#) that the roles of cities and their leaders are changing. The problems they are facing are increasingly complicated. Their jobs are not as simple as putting more cops on the street to reduce crime in between attending ribbon-cutting ceremonies and riding in parades.

"Now, you're really seeing mayors and their business/civic/university allies focusing on the fundamentals of the trade economy: manufacturing, innovation, skills, exports," he says.

These aren't just big-city issues.

Urban centers are competing with their own suburbs and neighboring states for jobs and corporate headquarters. At the national level, it might be a zero-sum calculation. But at the local level, there are definite winners and losers. Smaller towns have many advantages that can be exploited.

Complicated problems often need complicated solutions. In *The Difference: How the Power of Diversity Creates Better Groups, Firms, Schools, and Societies* by Scott Page, a clear case is laid out that diversity of opinions leads to better decisions for businesses, governments and societies. He isn't merely looking at racial and ethnic diversity – although he touches on it – he's looking at diversity of education level, socio-economic status and more. The wider the range of ideas being considered, the more likely one of them is the correct solution.

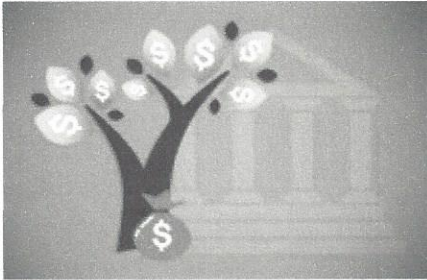
Along with helping find better solutions, demographics also pose their own problems. Aging populations in some cities mean that city agencies have to shift their service offerings. They can lead to a declining tax base or changes in an area's housing market. On the other end of the spectrum, a baby boom in an area can cause huge shifts in the schools. Finding a baby boomlet in our nation's cities has surprised many.

So in keeping with our principle that we wanted cities that are livable for everyone, we worked with our partners at the Martin Prosperity Institute to analyze Census data and

create two custom data points. One variable measured racial and ethnic diversity, while the other measured age diversity. We also looked at population growth. Is this community thriving or shrinking?

The average score across all the cities we measured was 50. The cities that scored well in this area show that they are growing, livable cities – for everyone.

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Economy

Which comes first, the economic strength of a community or its livability? For the most part, these two things are intertwined. Cities that prosper tend to have residents who are prospering and can afford to take care of all the amenities the city has to offer. Cities that prosper can also afford to invest in those amenities and keep the level of livability high. Livable cities attract the talented and resourceful workers that companies want to hire. So livable communities can create their own business climate destinies.

As James Carville once had to remind then-candidate Bill Clinton: “It’s the economy, stupid.”

It’s true in politics, and it’s true in livability.

There are few cities that can truly separate the living world from the working world, except maybe resorts and retirement communities. Even resorts and senior centers are employee-heavy organizations. Therefore, we would be remiss in talking about places that are great places to live without focusing also on the economic opportunities in the cities.

Our core principles for the Index include affordability and accessibility, so we examined income inequality using the Gini index as calculated by the U.S. Census Bureau. If a city had high inequality, one could argue that means more diversity, which is a plus, but it also means that the area is likely failing to provide economic opportunities for its residents. We also looked at income growth forecasts from Esri, employment and the amount residents spend on food. There are other economic factors throughout our ranking, such as housing and transportation costs, but those are factored into their own sections. The average score across all the cities we measured was 50.

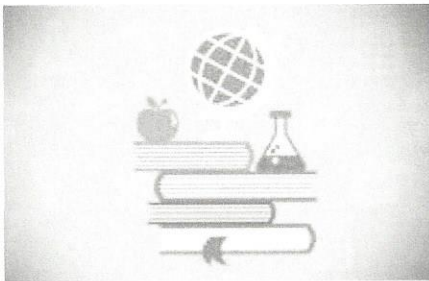
That gave us a pretty well-rounded picture of the financial climate of a city today and a bit of a peek into its future prospects. We wanted to reward cities that were growing and

thriving, not just getting by.

Livability and a robust city economy have a symbiotic relationship. Many traits of livability have strong correlations with such economic indicators as GDP, wages and innovation. Cities with strong economies and the businesses and leaders that drive those economies can afford to invest in the kind of amenities and infrastructure that will draw more workers and more businesses. And the cycle repeats.

In the end, as our Ipsos survey showed, people care more about the economy and job prospects of a place than any other factor – both in terms of evaluating where they live currently and places they would consider relocating. In many ways, therefore, if you get the economic setting right, the rest will fall into place – and vice versa.

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Education

When creating a “best places to live” list, schools hold a somewhat unique position. Having a great educational environment is both something that makes a community more livable and a key driver of relocation. Overall, we’re not a very mobile society. We have our habits, our networks (and sometimes our mortgages) and our jobs. Each year, about one in eight households moves, but that varies a lot by age and other factors. A sizable majority stay within the same county or metro area.

So why do we move? Often it’s demographic changes that lead to relocation. Three of the big life-stage related moves we make are education-related. We move when head to college, when we graduate from college, and when we have kids that are school-aged and are in search of the best school district possible.

Education occurs throughout our lives, so we examined indicators for public schools, colleges and universities, and the education levels of the adults in the city. Cities with higher-rated public schools, more colleges and universities, and well-educated adults scored best. The average score across all the cities we measured was 39.

Let’s start with the public schools. We used data provided to us from GreatSchools to measure the quality of public schools in a city. As the oldest of the millennial generation move into their 30s and begin forming their own households, getting married and having kids, will denser cities be able to retain them? After all, the millennials are the best-

educated generation in history. It stands to reason they'll want the best schools for their little ones.

This could be a great advantage for smaller cities and suburbs in the coming years. Looking at the GreatSchools data, cities with populations between 20,000 and 50,000 had scores that were, on average, 25 percent higher than the cities with populations greater than 500,000. Urbanist Joel Kotkin points out in a blog post that many big cities saw shrinking populations of children during the past decade as they struggled with reduced spending on education and school closures.

"The 14-and-younger population increased in only about one-third of all [cities], with the greatest rate of growth occurring in smaller urban areas with fewer than 250,000 residents," he says.

To some extent, these trends might be reversing – some cities are seeing a small baby boom in their downtowns. But time will tell whether the millennial generation reverses decades of trends of moving to the suburbs for better schools.

Having quality public schools in a community is a boon in a number of ways.

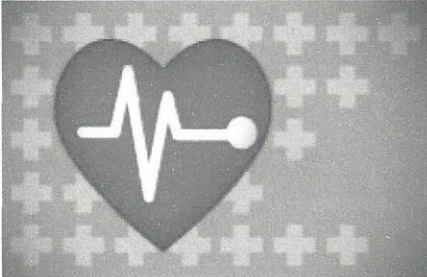
"There's a ripple effect into other livability factors when the schools are strong," Carol Lloyd, executive editor of GreatSchools tells Livability.com. "There's more impulse for homeowners to spend tax money and local dollars in that community. It's a virtuous circle that we've found. There's more money spent in a community on things that have a long-term effect on their community." She says that communities with the best schools often have made education a focal point for policy development at the city and school district levels.

For our Index, we also looked at the educational attainment of its residents. The more highly educated the parents, the theory goes, the more emphasis they'll place on their own children's education. But it's more than that. Having at least a bachelor's degree is heavily correlated to higher incomes, and that continues to increase as education levels increase. There's evidence that better-educated people lead healthier lives as well.

The other major component of our education rating was the presence of colleges and universities within a town. If you look at the top cities on the list, they typically have a major college or university located within their borders. This is likely not coincidence. College towns have a number of key advantages: a constant influx of new residents; enhanced cultural opportunities often of a scale you'd find only in the largest cities; a more stable economy due to a dominant industry that is less volatile than most; and a

means of creating a unique identity and sense of pride in the community. You see that in cities like Boulder, Palo Alto, Berkley and, of course, our No. 1 city, Madison. For a smaller city, having a major college can propel them from a good place to live to a great place to live.

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Health Care

Having an institution in town that creates jobs – including high-paying, professional jobs – and draws in visitors while thriving in any economy is a dream for most cities. If that institution also helps keep residents healthy and leading active lives in the community, all the better.

Much like having a college or university in a town, a major hospital can elevate the quality of life in a town – especially in smaller towns where these institutions are often the dominant force. Put together, hospitals and colleges are often referred to as “Eds and Meds” by urban theorists. Having one won’t necessarily make your city a best place to live all by itself, but it can certainly help.

Therefore, the presence of hospitals within the town limits was one of the variables we measured for the health-care component of our Index.

We also measured the amount spent on health care, using data provided by Esri. These costs are eating a larger and larger share out of Americans' wallets. The average score across all the cities we measured was 47.

Those are the only two variables we included in the health-care portion of the ranking last year. This year we added two key indicators of the health and well-being of the community, looking at county-level data about low-birth-weight rate among children and obesity rates among adults. We also added a ratio of primary care physicians per 100,000 residents. This data is all provided by the Robert Wood Johnson Foundation, creator of the annual [County Health Rankings](#).

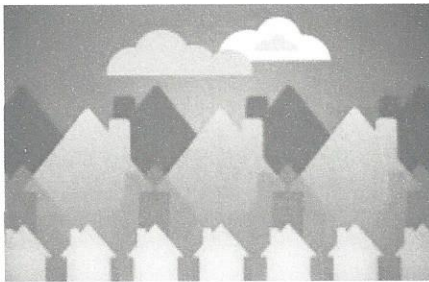
Sure, there are other factors to healthy living we could have measured, but the thing with health is that it correlates so highly to variables we measured elsewhere. People with lower incomes are more likely to suffer from diabetes and other weight-related illnesses, for instance. People with higher education tend to live longer. Cities with higher [Walk Scores](#) have residents who weigh less, are happier and spend more time working for the

benefit of their communities. We didn't want to measure too many variables that would essentially say the same thing. So, we focused again on our guiding principles, looking at access and affordability of care.

Perhaps not surprisingly, many of the cities near the top of our Index are in places with great natural amenities nearby that encourage people to spend time outdoors engaging in active pursuits like hiking, biking and skiing.

The cities that performed best on this list encourage healthy living by their very structure, as well as the presence of great, affordable care options. They will keep the residents of the best places to live living well for years to come.

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Housing

Once you find a place to live, you need to find a place to live. Finding the right home, condo, apartment, houseboat or whatnot to live in certainly impacts how much you will enjoy inhabiting your city. It has to meet the needs of your family. It has to be affordable for a household at your

income level.

Access to affordable housing was the most important feature of a livable community, according to our exclusive Ipsos survey. That was very much in line with the guiding principles of our Index: access, affordability and options – the fourth principle of ‘utilization’ is pretty much taken care of. Everyone needs a place to call home.

Affordability is a combination of factors, not just price. We not only looked at home prices but also how they related to income. Therefore, you see some cities rise to the top of our list that have above-average housing costs but also above-average wages. So while prices might be high in places like Palo Alto, Berkley or Arlington, Va., the housing prices aren't an obstacle for many of the residents there. We also looked at the projected home value growth as calculated by Esri.

Working with our partners at the Martin Prosperity Institute, we created a custom variable that looks at the diversity of housing stock. This new research let us find cities that have a variety of housing options from vintage charm to newly constructed spaces with modern amenities. We also used U.S. Census data to analyze the percentage of housing units that were occupied and the ratio of owners to renters. The average score across all the cities

we measured was 50.

It's worth noting that while housing prices often rise with population density, we are using a methodology from the U.S. Department of Housing and Urban Development (based on research pioneered by the Center for Neighborhood Technologies), which takes into account the cost of housing and transportation. While we're splitting their data between our housing variables and transportation variables, their research was critical in dispelling the notion that less-dense suburbs are cheaper than downtown living. When the increased transportation costs are factored in, sprawling suburbs often cost more than their dense cores.

Looking forward, as cities move to create more livable communities and more people-friendly downtowns, maintaining the affordability in towns of all sizes will be a challenge. That challenge needs to be actively addressed for our livable cities to stay that way, says Emily Talen, a professor and author.

She tells Livability.com, "If you're going to keep building these beautiful, walkable, transit-enabled places, there is no way they are going to be diverse unless there is some policy behind it. It's not going to maintain diversity via the market only."

One way is by developing more housing that encourages lower-cost renting. Urbanist Richard Florida sees a decrease in the home ownership rate as a key to healthy economies and thriving cities – up to a point.

He writes in *The Atlantic Cities*, "Tilting the home ownership rate back from its high of 70 percent to say 55 or 60 percent – not too far from where the U.S. is at today – would seem to be in line with greater labor market flexibility and economic dynamism."

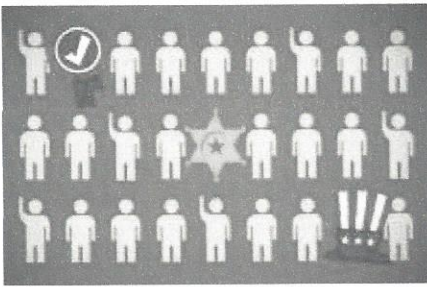
Good rental markets will especially be important for attracting younger householders, still feeling the impacts of a recession that hit just as many were entering the job market.

"It will take years of a stronger job market for young people before they'll be able to think about down payment. You don't get a job and the next day decide to buy a home," Jed Koklo, chief economist and vice president of analytics for real estate site Trulia.com tells Livability.com.

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Social and Civic Capital

If our demographics section answers a portion of the *Sesame Street* question "Who are



the people in your neighborhood?”, the social and civic capital section answers “And what do they do for your neighborhood?”

People matter. Any mayor will tell you that. Ask an elected leader what makes his or her city great, and you’ll get a variation on the theme of “It’s the great citizens of our community.” It’s the civic equivalent of the answer you get when you ask a baseball player about his season. “I’m just thankful to be able to come out here day after day and play this game for these great fans.” It’s cliché, but that doesn’t mean there isn’t some truth to it.

Last year in our exclusive Livability survey with Ipsos, we asked people about the importance of having friends and family nearby. It ranked fairly highly, although behind a lot of economic and safety concerns. But we didn’t really have any way to measure that from city to city. So we dropped the question from this year’s survey.

What happened? Well, we also ask an open-ended “What else is important?” question, and this year, the results of that question showed that by not asking the friends/family question, we were omitting something valued. Research shows that having a strong community is a huge factor in quality of life and happiness. Our survey showed that not only is it intrinsically valued, but it’s also consciously top-of-mind for people.

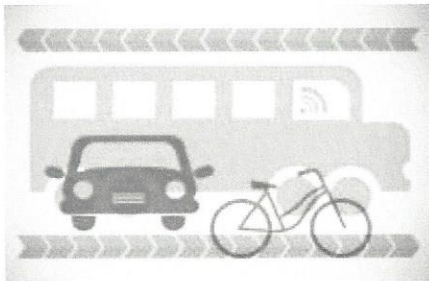
A community is more than just a collection of people living in the same geographic space, of course. A community is a group of people working together to make that space a better place.

Community is an investment. It doesn’t just happen. It helps to have spaces and events that can foster the ties that bind us together as townsfolk. Most of our Best Places to Live work hard on that, but they can’t just will community into being from on high. People and residents have to make it happen. That’s where social and civic capital come in.

In this section of the Index, we used data from Esri to measure things like crime, voter participation and the amount of time people spend partaking in community activities. If people are active on charitable boards, attending city meetings, engaging with politicians and joining civic clubs, that’s a good sign that the community is actively working to make itself a better place to live. We also looked at carbon emissions and at the share of jobs held by members of the “creative class.” Cities with low crime, high participation by the creative class, low carbon emissions and high involvement scored best. The average score across all the cities we measured was 50.

The cities on our list are working hard on their towns and investing in their communities. They're working to attract and keep people who don't just contribute to a community, but who engage with it. They're developing spaces where people can work and play together, and collaborate and create together as well as live together. Those efforts are taking place in smaller towns where everyone bands together, as well as larger cities where the communities can be as sizable as the fans of a sports team or as tightly knit as workers in the same office building. The payoffs can be seen in the thriving downtowns and vibrant economies, as well as in the all-important church basements and ice cream socials.

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Transportation

Someone once said that in urban planning and livability discussions, all roads lead to transportation. And while that's a terrible pun, it's also true. Americans spend an awful lot of their time in between places.

How they do so is changing. An increase in retirement-age Americans, economic factors like fluctuating gas prices and the rise in telecommuting, among other factors, means that commute time is important for many but not all. For those who do commute, it's a huge factor in livability. In a very fundamental way, shorter commutes correlate to a higher degree of happiness and life satisfaction. We looked for places with options and affordability – two of our driving principles for the Index.

Americans are driving fewer miles and buying fewer cars these days. Bike shares and public transit are on the rise. Areas that are more walkable are more livable, and the real estate comes with a premium. Therefore, the more choices available, the more likely it is that each resident can find something workable.

We analyzed data about access to major airports, walkability, transportation costs and the percentage of the population who commute to work by some means other than driving alone. The last seems a good proxy for both options and adds in utilization, another of our principles. Places with shorter commutes, higher percentages of people who don't drive alone to work, access to more airports and lower spending on transportation scored the highest. The average score across all the cities we measured was 48.

Transportation affordability is especially important as these costs are eating a larger and larger share of a household budget. In recent years, a non-profit called the Center for Neighborhood Technology developed a methodology that estimates the combined burden

of housing and transportation. The data demonstrated that suburban housing might seem like a bargain in terms of the amount of house you can afford, but when you include increased transportation costs, you could actually wind up spending more to live farther away. That finding was so compelling that the U.S. Department of Housing and Urban Development has now built upon the CNT framework to create its [Location Affordability Index](#). We used that score in our rankings.

We also included [Walk Score](#) data here. It is a well-tested measure of how walkable a neighborhood or town is, but it's more than that. Research has shown that a high Walk Score correlates to higher home prices, reduced obesity and increased economic performance of the area.

None of this is to say that we're punishing cities that are car-bound. Rather, we're rewarding cities that are taking steps to adjust to what appear to be sweeping changes in the way we get around – especially for younger Americans who are embracing biking and bike sharing, walking, public transportation, car-sharing and more. Even retiring baby boomers are taking advantage of the options offered in cities large and small.

If you've been reading our Livability blog, you've read our research about the idea of "peak car" and some of the factors influencing our [changing transportation habits](#). You've also read interviews with experts like [Jeff Speck](#), [Christopher Leinberger](#), [Robin Chase](#) and mayors from cities including [Tampa](#) and [Grand Rapids](#). All of them have talked about the changing shape of transportation in what has traditionally been an entirely car-centric country.

It's a complicated set of trends we're following related to these critical issues. The importance of transportation and infrastructure impacts our day-to-day livability in many ways.

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